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BEFORE THE  
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
HAWAIIAN ELECTRIC COMPANY, INC. )  
For Approval of Rate Increases and )  
Revised Rate Schedules and Rules, and for )  
Approval and/or Modification of Demand- )  
Side and Load Management Programs and )  
Recovery of Program Costs and DSM Utility )  
Incentives. )

DOCKET NO. 04-0113

PUBLIC UTILITIES  
COMMISSION

2005 MAY 26 P 3:51

FILED

DEPARTMENT OF DEFENSE'S TENTH  
SUBMISSION OF INFORMATION REQUESTS  
TO HAWAIIAN ELECTRIC COMPANY, INC.

AND

CERTIFICATE OF SERVICE

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ATTORNEY FOR  
DEPARTMENT OF DEFENSE


BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

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DEPARTMENT OF DEFENSE'S TENTH  
SUBMISSION OF INFORMATION REQUESTS  
TO HAWAIIAN ELECTRIC COMPANY, INC.

COMES NOW, DEPARTMENT OF DEFENSE ("Applicant") by and through its undersigned attorney, and hereby submits its Tenth Submission of Information Requests to Hawaiian Electric Company, Inc. ("HECO").

DATED: Honolulu, Hawaii, May 26 2005.

  
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DOCKET NO. 04-0113  
DEPARTMENT OF DEFENSE'S TENTH  
SUBMISSION OF INFORMATION REQUESTS  
TO HAWAIIAN ELECTRIC COMPANY, INC.  
INSTRUCTIONS

In order to expedite and facilitate Department of Defense's review and analysis in the above matter, the following is requested:

1. For each response, HECO should identify the person who is responsible for preparing the response as well as the witness who will be responsible for sponsoring the response should there be an evidentiary hearing;
2. Unless otherwise specifically requested, for applicable schedules or workpapers, HECO should provide hard copies of each schedule or workpaper together with one copy of each such schedule or workpaper on electronic media in a mutually agreeable format (e.g., Excel and Quattro Pro, to name two examples); and
3. When an information request makes reference to specific documentation used by HECO to support its response, it is not intended that the response be limited to just the specific document referenced in the request. The response should include any non-privileged memoranda, internal or external studies, assumptions, HECO instructions, or any other relevant authoritative source which HECO used.
4. Should HECO claim that any information is not discoverable for any reason:
  - a. State all claimed privileges and objections to disclosure;
  - b. State all facts and reasons supporting each claimed privilege and objection;

- c. State under what conditions HECO is willing to permit disclosure to Department of Defense (e.g., protective agreement, review at business offices, etc.); and
  - d. If HECO claims that a written document or electronic file is not discoverable, besides complying with subparagraphs 4(a-c), identify each document or electronic file, or portions thereof, that HECO claims are privileged or will not be disclosed, including the title or subject matter, the date, the author(s) and the addressee(s).
5. Please provide each response in electronic format (if available) as well as paper. Please provide two copies of each response, with one copy going directly via overnight delivery to Department of Defense's consultant at the following address:

Mr. Ralph Smith  
Larkin & Associates  
15728 Farmington Road  
Livonia, MI 48154  
Telephone No.: 734-522-3420  
E-mail: RSmithLA@aol.com

and the other copy going directly via overnight delivery to:

Dr. Kay Davoodi  
Utilities Rates and Studies Office  
NAVFAC Washington  
1314 Harwood Street, S.E.  
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DEPARTMENT OF DEFENSE'S TENTH SUBMISSION OF INFORMATION  
REQUESTS TO HAWAIIAN ELECTRIC COMPANY, INC.

DOCKET NO. 04-0113

The following information requests are directed to HECO.

DOD/HECO-IR-10-1. Impact of HECO updates on 2005 Depreciation Expense and ratemaking treatment of E-business capitalized asset.

- a. Please confirm that the \$80,601,046 final depreciation expense amount mentioned in the response to CA-IR-514 does not include the \$52,278 of depreciation allocated to the utility for the E-business capitalized asset that was mentioned in the response to CA-IR-86. If this is not accurate, please explain fully and provide accurate information.
- b. Please explain fully what the E-business capitalized asset is, why it is being allocated to the utility, and provide the basis for the allocation.
- c. When was the cost for the E-business capitalized asset incurred? If in different years, provide the amounts by year.
- d. Did HECO request Commission permission to defer costs for an E-business capitalized asset? If so, please provide a copy of the request.
- e. Has HECO received Commission permission to defer costs for an E-business capitalized asset? If so, please provide a copy of the order where permission to defer such costs was granted.
- f. Please confirm that HECO agrees that the \$52,278 of depreciation for the E-business capitalized asset should be removed. If this is not accurate, please explain fully and provide accurate information.
- g. Please identify all amounts, by account, that are included in rate base in HECO's original filing for the E-business capitalized asset.
- h. Please identify the specific adjustment in HECO's update to remove the rate base amounts for the E-business capitalized asset. If the amounts have not been removed, explain fully why not.

DOD/HECO-IR-10-2. Impact of HECO updates on 2005 Depreciation Expense.

- a. Please confirm that the “Depreciable Assets as of 1/1/05” and the “Amort Amts as of 1/1/05” on CA-IR-86, pages 2 and 3, respectively are the actual 12/31/04 balances for each account. If this is not the case, please provide the actual 12/31/04 Depreciable Assets and Amortizable Amounts and the Depreciation and Amortization on the 12/31/04 actual amounts in similar format to CA-IR-86, pages 2 and 3 of 3.
- b. Please reconcile the “Depreciable Assets as of 1/1/05” and the “Amort Amts as of 1/1/05” on CA-IR-86, pages 2 and 3, respectively, with the Net Cost of Plant in Service actual 12/31/04 of \$1,241,908,000 shown on CA-IR-95, page 2 of 4. Identify, quantify and explain each reconciling item.
- c. Please provide a detailed breakout of the Net Cost of Plant in Service actual 12/31/04 of \$1,241,908,000 shown on CA-IR-95, page 2 of 4, by plant account.

DOD/HECO-IR-10-3. Impact of HECO updates on net plant. Please confirm each item in the following calculation of the impact of HECO’s updates on average 2005 net plant in service:

Line	Description	Amount (\$000)	Reference
1	Net Plant in Service at 12/31/04	\$ 1,241,908	CA-IR-95
2	Revised Net Plant Additions	\$ 106,950	HECO update, Attachment 6
3	Cost of Removal	\$ 5,176	HECO-1609
4	Salvage	\$ (179)	HECO-1609
5	Revised Depreciation Accrual	\$ (80,132)	CA-IR-86
6	Estimated Net Plant in Service - 12/31/05	\$ 1,273,723	Sum L1-6
7	Update Average Net Plant in Service 2005	\$ 1,257,816	Average L1 & L6
8	Net Plant in Service per HECO filing	\$ 1,264,154	HECO-1902
9	HECO update adjustment	\$ (6,339)	L7-L8

If any of the above is not fully accurate, please provide accurate information and source references.

DOD/HECO-IR-10-4. Impact of HECO updates on rate base. Please confirm each item and amount in the following calculation, other than Working Cash, for accurately stating the impact of HECO's updates on average 2005 rate base:

Line No.	Description	Actual 12/31/04 per CA-IR-95 (A)	Per HECO Updat Estimated 12/31/05 (B)	Revised Average for 2005 (C)
<b>Investment in Assets Serving Customers</b>				
1	Net Cost of Plant in Service	\$ 1,241,908	\$ 1,273,723	\$ 1,257,816
2	Property Held for Future Use	\$ 599	\$ 599	\$ 599
3	Fuel Inventory	\$ 39,420	\$ 39,420	\$ 39,420
4	Materials & Supplies Inventories	\$ 10,425	\$ 9,789	\$ 10,107
5	Unamortized Net SFAS 109 Reg. Asset	\$ 50,082	\$ 52,819	\$ 51,451
6	Prepaid Pension Asset	\$ 81,085	\$ 76,670	\$ 78,878
7	Unamortized OPEB Regulatory Asset	\$ 10,415	\$ 9,113	\$ 9,764
8	Unamortized System Development Costs	\$ -	\$ -	\$ -
9	Working Cash at Present Rates	\$ 11,820	\$ 11,820	\$ 11,820
10	<b>Total Investment in Assets</b>	<b>\$ 1,445,754</b>	<b>\$ 1,473,953</b>	<b>\$ 1,459,854</b>
<b>Funds from Non-Investors</b>				
11	Unamortized CIAC	\$ 144,322	\$ 155,563	\$ 149,943
12	Customer Advances	\$ 1,519	\$ 1,476	\$ 1,498
13	Customer Deposits	\$ 5,066	\$ 6,735	\$ 5,901
14	Accumulated Deferred Income Taxes	\$ 158,695	\$ 157,403	\$ 158,049
15	Unamortized ITC	\$ 15,166	\$ 16,356	\$ 15,761
16	Unamortized Gain on Sales	\$ 489	\$ 1,505	\$ 997
17	OPEB Liability	\$ 10,390	\$ 9,395	\$ 9,893
18	<b>Total Deductions</b>	<b>\$ 335,647</b>	<b>\$ 348,433</b>	<b>\$ 342,040</b>
19	Average Rate Base at Present Rates	\$ 1,110,107	\$ 1,125,520	\$ 1,117,814
20	Change in Working Cash			\$ (13,108)
21	Average Rate Base at Proposed Rates per HECO update			<b>\$ 1,104,706</b>

If any of the above is not fully accurate, please provide accurate information and source references.

CERTIFICATE OF SERVICE

I hereby certify that one copy of the foregoing TENTH SUBMISSION OF INFORMATION REQUESTS was duly served upon the following parties, by personal service, hand-delivery, and/or U.S. mail, postage prepaid, and properly addressed pursuant to HAR sec. 6-61-21(d).

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6 Copies

DATED: Honolulu, Hawaii, May 26, 2005

  
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